GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:229
ANSWERED ON:25.02.2000
BANK CREDITS TO STATES
ANNA SAHEB M.K. PATIL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have found wide and unusual disparities in credit disbursement by the scheduled commercial banks to the States;

(b) if so, the details thereof along with the norms for the disbursement of credit;

(c) the steps proposed by the Government to increase credit to deprived States ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) and (b): The credit deposit (CD) ratio of scheduled commercial banks as on the last Friday of March 1999 is given in the Annexure. The CD Ratio of banks vary from State to StateBanks are expected to have a CD ratio of 60 per cent in respect of their rural and semi-urban branches separately on an All India basis.

(c): The credit flow in a State/Region depends upon various factors like availability of adequate infrastructural facilities, credit absorption capacity of the region, development of medium and large industries, properly developed marketing facilities, conducive atmosphere for investment, entrepreneurial initiatives, law and order situation in the region, satisfactory recovery position of the bank dues etc. Banks have been taking every possible step for improving the flow of credit in the States where CD ratio is lowand the position in his regard is monitored in the State Level Bankers` Committee (SLBC) meetings of the respective States from time to time.